

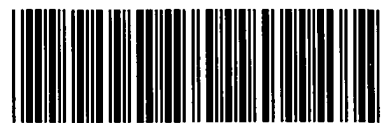
Alcentra Flandre Limited

Registered number 09241646

Report and Financial Statements

For the nine-month period ended 30 September 2023

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Alcentra Flandre Limited

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Alcentra Flandre Limited

Board of Directors and other information

Directors

L A Raven

A N Ouattara

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants

Atria One

144 Morrison Street

Edinburgh

EH3 8EX

Registered Office

160 Queen Victoria Street

London

EC4V 4LA

Registered Number

09241646

Alcentra Flandre Limited

Strategic Report

For the nine-month period ended 30 September 2023

In accordance with Section 414A(1) of the Companies Act 2006, we have prepared the Strategic Report which includes a review of Alcentra Flandre Limited ("the Company") business and future developments, a description of the principal risks and uncertainties facing the Company and key performance indicators.

The Strategic Report is presented for the nine-month period ended 30 September 2023. All comparatives are for the year ended 31 December 2022.

The ultimate parent company is Franklin Resources, Inc. ("FRI").

Change in accounting reference date

The Company changed its accounting reference date from 31 December to 30 September effective 30 September 2023. The Strategic Report, Directors Report and financial statements presented are for the nine-month period 1 January 2023 to 30 September 2023 while comparative period performance is for the full year to 31 December 2022.

Business review

During the period, the Company continued to provide directorship services to its clients in its capacity as a Corporate Director. There have been no significant changes in the Company's core operations.

Financial key performance indicators

The Company's key financial and other performance indicators during the period were as follows:

	1 January 2023 to 30 September 2023	Year ended 31 December 2022	Change	Change
	€000	€000	€000	%
Administrative expenses	36	22	14	64%
Net assets	1,669	1,669	0	0%

Administrative expenses increased by €14,000 (64%) during the period driven by an increase in the audit fees (including overruns for the prior period).

Principal risks and uncertainties

The principal risks and uncertainties affecting the business have been considered and addressed in the Directors' Report on pages 4 to 6.

Strategy

The primary purpose of the Company is to provide Board representation as Directors on investments in which funds within the Alcentra Group (subsidiaries of Alcentra Group Holdings, Inc.) have material equity holdings (i.e. holdings in excess of 10% of voting rights). The Company currently sits on the Boards of three investment companies: Stiga SA and Stiga C Sarl (the ultimate parent companies of the Stiga group of companies, formerly known as Global Garden Products), Financiere Truck Investissement (the parent of Fraikin Group) and the Pierre et Vacances Center Parcs Group.

Alcentra Flandre Limited

Strategic Report

For the nine-month period ended 30 September 2023 - continued

The Stiga Group is a European leader in the production and distribution of lawn mowers and powered garden equipment selling in over 70 countries around the world and headquartered in Italy. Stiga completed a debt refinancing in August 2017, for which Alcentra Limited acted as the lead co-ordinator. The Company has continued to, and expects to maintain, the position on the Board it was appointed to in July 2016. Funds within the Alcentra Group represent the largest shareholder in Stiga SA.

The Fraikin Group is a leading European commercial vehicle leasing company which operates in France, the UK and other western European countries. Its parent, Financiere Truck Investissement, completed a debt restructuring in April 2018, following which senior lenders took control of the group. Funds within the Alcentra group represented the largest shareholder of the group at closing, and hence is one of the 3 shareholders with representatives on the Board of directors.

The Pierre et Vacances Center Parcs Group is a French headquartered listed business, which is a leading European tourist residences and hotels operators. Funds managed by Alcentra became shareholders of the company in September 2022 following the recapitalization of the company capital structure. These Funds managed by Alcentra represents the largest shareholder, hence is one of the 3 shareholders with representatives on the Board of directors.

Business and future developments

The strategic focus of the Company and Alcentra Group is to develop the business to maximise shareholders' value.

During the nine-month period ended 30 September 2023, the Company continued with its current directorship mandates. In future years, the Company may take on new Board seats if funds managed by the Alcentra Group have defaulted debt investments which are restructured to equity investments and the funds seek to get a seat on the Board of these companies. Where seats on the Board are given to the funds, the Company will take on the Board seat.

Approval

On behalf of the Board

DocuSigned by:

Laurence Raven

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L A Raven
Director

Alcentra Flandre Limited
160 Queen Victoria Street
London
EC4V 4LA

21 December 2023

Registered number: 09241646

Alcentra Flandre Limited

Directors' Report

For the nine-month period ended 30 September 2023

The Directors present their report and audited financial statements for the nine-month period ended 30 September 2023.

Principal activities

The principal activities of Alcentra Flandre Limited is to provide directorship services to:

1. Stiga SA and Stiga C Sarl: with a permanent representative sitting on the Boards of these companies which serve as the ultimate parent companies of the Stiga Group.
2. Fraikin: with a permanent representative sitting on the Board of Financiere Truck Investissement which is the parent of the Fraikin Group.
3. Pierre et Vacances Center Parcs Group: with a permanent representative sitting on the Board of Pierre et Vacances SA which is the listed parent of the PVCP Group.

Results and dividends

The results for the period after taxation amounted to €nil (2022: loss €39,000).

Interim dividends paid during the period amounted to €nil (2022: €nil). The Directors do not recommend a final dividend for the period ended 30 September 2023 (2022: €nil).

Future developments

See 'Business and future developments' section in Strategic Report for details.

Political donations

The Company made no political donations or incurred any political expenditure during the period (2022: €nil).

Governance and policies

Policies and procedures are in place to govern and manage the business. Suitable policies and procedures have been adopted by the Company in order to ensure an appropriate level of risk management is directed at the relevant element of the business.

Governance of the Company is the ultimate responsibility of the Board. The Board is responsible for the ongoing success and development of the Company's business as well as setting the risk appetite for the firm as part of the risk framework.

Risk management process

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events: including the potential for loss that arises from problems with operational processing, human error or omission, breaches in internal controls, fraud, and unforeseen catastrophes.

Alcentra Flandre Limited

Directors' Report

For the nine-month period ended 30 September 2023

Liquidity risk

Liquidity risk is the risk that a Company, although balance sheet solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms.

The Company has adopted an internal liquidity policy which has been approved by the Board of Directors and outlines the liquidity framework, annual stress testing programme and liquidity risk tolerance levels.

Directors

The Directors of the Company who were in office during the period and up to the date of signing the financial statements were:

	Appointed	Resigned
L A Raven	-	-
A N Ouattara	-	-

Directors' indemnity provision

The articles of association of the Company provide that in certain circumstances the Directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the Companies Act 2006. Qualifying third party indemnity provisions of this nature were in place during the financial period and as at the date of approval of the financial statements but have not been utilised by the Directors (2022: €nil).

Disclosure of information to Independent Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditors are unaware; and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Post balance sheet events

There are no material post balance sheet events.

Going concern

During the period the Company has been impacted by the effects of the Russian invasion of Ukraine, global inflationary pressures and interest rate rises, and political uncertainty in the UK. Considering potential business volatility and its impact on directorship fees and cash liquidity, together with the future developments described above, the Directors consider that the Company has adequate resources to remain in operation for a period of at least 12 months from the date of signing and have therefore continued to adopt the going concern basis in preparing the financial statements.

Alcentra Flandre Limited

Directors' Report

For the nine-month period ended 30 September 2023

Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, the independent auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the Board

DocuSigned by:

Laurence Raven

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L A Raven
Director

Alcentra Flandre Limited
160 Queen Victoria Street
London, EC4V 4LA

21 December 2023

Registered number: 09241646

Alcentra Flandre Limited

Statement of directors' responsibilities

The Directors are responsible for preparing the Directors' Report, Strategic Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

On behalf of the Board

DocuSigned by:
Laurence Raven
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L A Raven
Director

21 December 2023

Independent auditors' report to the members of Alcentra Flandre Limited

Report on the audit of the financial statements

Opinion

In our opinion, Alcentra Flandre Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2023 and of its profit for the nine-month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Balance sheet as at 30 September 2023; the Statement of profit and loss and other comprehensive Income and Statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in

Independent auditors' report to the members of Alcentra Flandre Limited

the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 30 September 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to expenses. Audit procedures performed by the engagement team included:

Independent auditors' report to the members of Alcentra Flandre Limited

- Enquiries with management, including consideration of known or suspected instances of fraud or non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with accounting standards;
- Reviewing relevant Board meeting minutes;
- Reviewing any correspondence with the FCA;
- Understanding of management's internal controls designed to prevent and detect irregularities;
- Challenging assumptions and judgements made by management in their consideration of significant accounting estimates;
- Identifying and testing journal entries, in particular any journal posted with unusual account combinations; entries posted containing unusual account descriptions and entries posted by unexpected users, where any such journal entries were identified; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

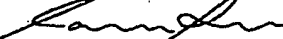
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Lauren Atkins (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

21 December 2023

Alcentra Flandre Limited

Statement of profit and loss and other comprehensive income for the nine-month period ended 30 September 2023

		1 January 2023 to 30 September 2023	Year ended 31 December 2022
	Note	€000	€000
Administrative expenses	2	(36)	(22)
Other operating income	4	13	-
Operating loss		(23)	(22)
Interest receivable and similar income	5	23	1
Interest payable and similar expenses	6	-	(29)
Profit/(loss) before taxation		-	(50)
Taxation credit	7	-	11
Total comprehensive profit/(loss) for the period		-	(39)

Notes 1 to 13 are integral to these financial statements.

All items dealt with in arriving at the Company's results for the financial period and prior year relate to continuing operations.

The Company had no items going through other comprehensive income during the period (2022: €nil).

Alcentra Flandre Limited

Balance sheet

at 30 September 2023

		As at 30 September 2023	As at 31 December 2022
	Note	€000	€000
Current assets			
Debtors	8	10	10
Cash at bank and in hand	9	1,759	1,697
		1,769	1,707
Creditors: amounts falling due within one year	10	(100)	(38)
Net current assets		1,669	1,669
 Total assets less current liabilities		1,669	1,669
Net assets		1,669	1,669
 Capital and reserves			
Share capital	11	-	-
Share premium account	11	7	7
Profit and loss account		1,662	1,662
Total shareholders' funds		1,669	1,669

Notes 1 to 13 are integral to these financial statements.

The financial statements on pages 11 to 21 were approved by the Board of Directors on 21 December 2023 and signed on its behalf by:

DocuSigned by:

Laurence Raven

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L A Raven

Director

21 December 2023

Company registered number: 09241646

Alcentra Flandre Limited

Statement of changes in equity

For the nine-month period ended 30 September 2023

	Share capital account €000	Share premium account €000	Profit and loss account €000	Total equity €000
Balance at 1 January 2022	-	7	1,701	1,708
Total comprehensive loss for the financial year	-	-	(39)	(39)
Balance at 31 December 2022	-	7	1,662	1,669

	Share capital account €000	Share premium account €000	Profit and loss account €000	Total equity €000
Balance at 1 January 2023	-	7	1,662	1,669
Total comprehensive profit for the financial period	-	-	-	-
Balance at 30 September 2023	-	7	1,662	1,669

Notes 1 to 13 are integral to these financial statements.

Alcentra Flandre Limited

Notes to the financial statements

for the nine-month period ended 30 September 2023

1 Accounting policies

1.1 Basis of preparation and statement of compliance with FRS 101

The Company is a private company limited by shares incorporated and domiciled in the UK and registered in England and Wales. The registered address is given on page 1.

The Company is a wholly-owned subsidiary of Alcentra Asset Management Limited, a wholly-owned subsidiary of the ultimate parent company, Franklin Resources, Inc. ("FRI"). FRI, headquartered in San Mateo, California, United States of America ("USA"), is a public company registered with the U.S Securities and Exchange Commission.

FRI is the parent company of the largest and smallest group of undertakings to consolidate these financial statements at September 30, 2023. The consolidated financial statements of FRI are prepared in accordance with the Generally Accepted Accounting Principles of the USA, as defined by the Financial Accounting Standards Board and are available at www.franklinresources.com.

The Company is a qualifying entity under Financial Reporting Standard 100. Accordingly, the financial statements are prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101") under the historical cost convention. Therefore, the recognition, measurement and disclosure requirements of UK-adopted International Financial Reporting Standards ("IFRS") have been applied, with amendments where necessary, in order to comply with the requirements of the Companies Act 2006, as applicable to companies using FRS 101, and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) as these are Companies Act 2006 financial statements. The Company has also taken advantage of the FRS 101 disclosure exemptions as set out below.

Disclosure exemptions

As permitted by FRS 101, The Company has taken advantage of the disclosure exemptions available. Where required, equivalent disclosures are given in the FRI consolidated reports. A full list of exemptions taken are below.

- A Statement of cash flows and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of capital management; and
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions, entered into between two or more members of a group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 New accounting standards and interpretations

Accounting Standards adopted during the nine-month period to 30 September 2023

There were no standards adopted that have material impacts on the Company's financial condition or results of operations.

New Accounting Standards not yet adopted

There were no new accounting standards that the Company has not yet adopted for the period ending 30 September 2023.

1.3 Measurement convention

These financial statements are prepared on the historical cost basis.

Alcentra Flandre Limited

Notes to the financial statements

for the nine-month period ended 30 September 2023 - continued

1 Accounting policies - continued

1.4 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 3. In addition, the Directors' Report on pages 4 to 6 includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives and its exposures to credit and liquidity risk.

The Directors perform an annual going concern review that considers, under a stress test scenario, the Company's ability to meet its financial obligations as they fall due, for a period of at least twelve months after the date that the financial statements are signed. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully.

The Directors have had regard to management's assessment to determine whether there are any material uncertainties arising that could cast significant doubt on the ability of the Company to continue as a going concern. No significant issues have been noted. In reaching this conclusion, management considered:

- Strategic plans for the business;
- Stress tests on reasonably plausible scenarios assuming no revenue for a period of 12 months from the date of signing the financial statements;
- Liquidity position based on current cash resources and ;
- The Company's operational resilience on existing processes and key stakeholders such as suppliers and existing IT systems and infrastructure.

Based on the above assessment of the Company's financial position, operational and liquidity risk, the Directors have concluded that the Company has adequate resources to continue in operational existence (for a period of at least twelve months after the date that the financial statements are signed). Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.5 Revenue from contracts with customers

The Company does not recognise revenue. Effective 1 January 2021, fees for directorship services in the portfolio companies have been waived, in line with the Group's "External Directorships and Board Seats" policy, as a rebate back to the funds managed by Alcentra Limited whilst the provision of the Directorship services still remains with the Company.

1.6 Other operating income

Other operating income is the amount of directorship fees retained by the Company to cover net costs and ensure the Company is not loss making during the financial period.

1.7 Interest receivable and similar income and interest payable and similar expenses

Interest receivable and similar income and interest payable and similar expenses are recognised in the Statement of profit and loss and other comprehensive income, using the effective interest rate method.

Interest payable and interest receivable includes interest and net foreign exchange gains or losses that are recognised in the Statement of profit and loss and other comprehensive income (see foreign currency accounting policy).

1.8 Foreign currency

The Company's functional and presentational currency is Euro. Transactions in foreign currencies are recorded in the

Alcentra Flandre Limited

Notes to the financial statements

for the nine-month period ended 30 September 2023 - continued

1 Accounting policies - continued

functional currency at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange ruling at the balance sheet date. Any resulting exchange differences are reported net in the Statement of profit and loss and other comprehensive income within interest receivable or payable as appropriate.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Any resulting exchange differences are reported net in the Statement of profit and loss and other comprehensive income within interest receivable or payable as appropriate.

1.9 Taxation

Taxation on profit or loss for the period comprises current and deferred tax. Tax is recognised in the Statement of profit and loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case the tax is recognised in the same statement as the related item appears.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable or receivable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.10 Non-derivative financial instruments - classification and measurement

Non-derivative financial instruments comprise of debtors and cash at bank and in hand.

Financial assets are measured at amortised cost if they meet both of the following conditions and are not designated as at fair value through profit and loss ("FVTPL"):

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A Financial liability is initially recognised at fair value and in the case of loans and borrowings and trade and other creditors, net of directly attributable transaction costs. After initial recognition, financial liabilities are measured at amortised cost.

1.11 Impairment of financial assets (including debtors)

Under IFRS 9, the Company generally recognises loss allowances at an amount equal to 12-month expected credit loss ("ECL") (Stage 1, the portion of ECL that results from default events that are possible within 12 months after the reporting date) unless there has been significant increase in credit risk since origination of the instrument, in which case ECLs are recognised on a lifetime loss basis (Stage 2). Exposures that are in default are regarded as credit impaired (Stage 3) and are also measured on a lifetime ECL basis.

Alcentra Flandre Limited

Notes to the financial statements

for the nine-month period ended 30 September 2023 - continued

1 Accounting policies - continued

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- Financial assets that are credit-impaired at the reporting date – the difference between the gross carrying amount and the present value of estimated future cash flows; and
- Financial guarantee contracts – the expected payments to reimburse the holder less any amounts that the Company expects to recover.

The Company has assessed that the current period ECL charge is immaterial.

1.12 Accounting estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions about future conditions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. For the period ended 30 September 2023, there were no material estimates and significant areas of judgement.

Alcentra Flandre Limited

Notes to the financial statements

for the nine-month period ended 30 September 2023 – continued

2 Administrative expenses

Profit/(loss) before taxation is stated after charging:

	1 January 2023 to 30 September 2023	Year ended 31 December 2022
	€000	€000
Auditors' remuneration:		
Audit of these financial statements	23	18
Additional fee related to audit of the prior year financial statements	4	-

3 Directors' remuneration

The aggregate amount of remuneration paid to or receivable by Directors in respect of qualifying services is disclosed below. Qualifying services include services as a Director of the Company, as a Director of any of its subsidiary undertakings or otherwise in connection with the management of the affairs of the Company or any of its subsidiary undertakings. The amounts are disclosed irrespective of which Group company actually makes the payment to the Directors.

	1 January 2023 to 30 September 2023	Year ended 31 December 2022
	€000	€000
Directors' emoluments	74	160
Amounts receivable under long term incentive schemes	45	12
Company contributions to money purchase pension plans	2	1
	121	173

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid Director was €74,000 (2022: €60,000), and Company pension contributions of €1,000 (2022: €nil) were made to a money purchase scheme on their behalf. During the period the highest paid Director did not exercise share options.

	Number of Directors	
	1 January 2023 to 30 September 2023	Year ended 31 December 2022
Retirement benefits are accruing to the following number of Directors under:		
Money purchase schemes	2	3
The number of Directors in respect of whose services shares were received or receivable under long-term incentive schemes was	2	3

Alcentra Flandre Limited

Notes to the financial statements

for the nine-month period ended 30 September 2023 – continued

4 Other operating income

	1 January 2023 to 30 September 2023 €000	Year ended 31 December 2022 €000
Directorship fees retained to cover expenses	13	-

5 Interest receivable and similar income

	1 January 2023 to 30 September 2023 €000	Year ended 31 December 2022 €000
Net foreign exchange gain	10	-
Other interest income	13	1
Total interest receivable and similar income	23	1

6 Interest payable and similar expenses

	1 January 2023 to 30 September 2023 €000	Year ended 31 December 2022 €000
Net foreign exchange loss	-	23
Interest expense	-	6
Total interest payable and similar expenses	-	29

Alcentra Flandre Limited

Notes to the financial statements

for the nine-month period ended 30 September 2023 – continued

7 Taxation

Recognised in the statement of profit and loss and other comprehensive income

	1 January 2023 to 30 September 2023	Year ended 31 December 2022
	€000	€000
<i>UK corporation tax</i>		
Adjustments in respect of prior years	-	(2)
Total current tax	-	(2)
<i>Deferred tax</i>		
Origination and reversal of temporary differences	-	(9)
Total deferred tax	-	(9)
Total taxes on income	-	(11)

The tax expense for the period is lower (2022: lower) than the standard rate of corporation tax in the UK for the period ended September 30, 2023 of 23% (2022: 19%). The following reconciles the amount of income tax expense at the standard taxation rate of the United Kingdom as reflected in the statements of income:

Factors affecting total tax charge/(credit) for the current period/year

	1 January 2023 to 30 September 2023	Year ended 31 December 2022
	€000	€000
Profit/(loss) for the period	-	(39)
Total tax charge/(credit)	-	(11)
Profit/(loss) excluding taxation	-	(50)
Tax using the UK corporation tax rate of 23.00% (2022: 19.00%)	-	(9)
Adjustment in respect of prior years	-	(2)
Total tax charge/(credit)	-	(11)

The increase in the UK Corporation tax rate from 19% to 25% was effective April 2023.

8 Debtors

	As at 30 September 2023	As at 31 December 2022
	€000	€000
Deferred tax asset	10	10
	10	10

Alcentra Flandre Limited

Notes to the financial statements

for the nine-month period ended 30 September 2023 – continued

9 Cash at bank and in hand

	As at 30 September 2023	As at 31 December 2022
	€000	€000
Cash at bank and in hand	1,759	1,697

Cash at bank relates to €1,759,000 (2022: €1,697,000) of funds on deposit with UK regulated banking entities.

10 Creditors: amounts falling due within one year

	As at 30 September 2023	As at 31 December 2022
	€000	€000
Other creditors	100	38
	100	38

11 Capital and reserves

Share capital

	As at 30 September 2023	As at 31 December 2022
	€000	€000
Allotted, called up and fully paid		
One ordinary share of €1		

Allotted, called up and partly paid

The sole share in issue has a nominal value €1, with a share premium of €7,000 (2022: €7,000).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

12 Subsequent events

There were no events which have occurred since the balance sheet date, which would require adjustment to or disclosure in these financial statements.

13 Ultimate parent company and parent company of larger group

The immediate parent undertaking of the Company is Alcentra Asset Management Limited, a company registered in England and Wales. The Company's registered address is 160 Queen Victoria Street, London, EC4V 4LA.

The ultimate parent company as at 30 September 2023 was Franklin Resources Inc, incorporated in the United States of America. The consolidated quarterly accounts of the ultimate parent company as at 30 September 2023 may be obtained from <https://www.franklinresources.com/>